

Research on Financing Difficulties and Strategies Faced by Building Heal's Mutual Assistance Platform

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Abstract

In the era of digital economy, college students have ushered in a period of entrepreneurial opportunities. Our group also proposed to develop a psychological healing app - heal for depressed and anxious groups in view of the increasingly common psychological problems in Colleges and universities. However, it encountered many obstacles in the actual development process. First, the required funds could not be met in time and fell into financing difficulties, Secondly, many legal problems have arisen in the financing process. Based on the financing difficulties and risks of College Students' entrepreneurship, this paper analyzes the internal and external causes of the financing difficulties, and puts forward targeted strategic suggestions in order to improve the financing difficulties of entrepreneurship and increase the success rate of entrepreneurship.

Keywords

Entrepreneurship; Financing Dilemma; Financing Legal Risk.

1. Introduction

According to the data released by the Ministry of education in 2021, the number of college graduates reached 9.09 million, a record high, an increase of 350000 over the same period of the previous year. The role of campus recruitment in diverting the employment of college students has been weakened. At present, affected by the epidemic, the employment environment has become more complicated, and the competition in various industries has become increasingly fierce. In this context, more and more college students choose to start a business. However, in the process of entrepreneurship, they are faced with many problems such as financing difficulties, weak economic foundation, single financing channels, and weak legal awareness and legal risks. This paper takes the entrepreneurial project of heal soul mutual assistance platform as an example, and analyzes the financing problems faced by college students' start-ups.

2. The Dilemma and Risk of College Students' Entrepreneurial Financing

2.1. Analysis on the Causes of Financing Dilemma

1. There are many difficulties in external financing, and social institutions have not yet formed a joint force

External financing can be divided into direct financing and indirect financing, in which direct financing includes listing, issuing bonds, equity financing and financial leasing; Indirect financing includes bank loans, private loans and investment institutions. Bank loan is one of the most commonly used indirect financing means for college students to start their own businesses. However, this means is characterized by cumbersome procedures, high financing threshold and strict approval. From the perspective of banks, it is difficult for banks to obtain comprehensive information about college students' start-ups and predict their solvency, which

easily increases the loan cost and loan risk of banks [1]. Therefore, banks are more willing to lend to mature medium and large-sized enterprises in the context of integrating their own income and financial risks. However, in the face of College Students' entrepreneurship projects with generally low scientific and technological content and economic added value, they will put forward relatively stringent financing requirements, such as raising the relevant loan interest rate to reduce their own credit risk, and requiring higher guarantees and collateral. If the above-mentioned external financing problems cannot be solved in a timely manner, it is difficult to carry out sustainable construction for similar college student start-up projects such as heal mutual help platform.

2. College students are limited by their own conditions and lack of innovation from the perspective of entrepreneurship

College Students' entrepreneurial ability and entrepreneurial ideas are not perfect. Due to the long-term theoretical study, less practice, lack of market research and the gap between ideas and reality, entrepreneurial ideas can not meet the market demand; In addition, the lack of knowledge and ability of College Students' entrepreneurs and the lack of in-depth thinking on the market prospect, risk control and financial prediction of entrepreneurial projects have increased the investment risk of capital providers, and they are unwilling to invest in projects, resulting in financing difficulties. For example, the heal project lacks internal testing and large-scale user research, and the prediction of actual operational risks is not in place, as well as how to compete for the market of such software and how to improve the appreciation space of the project. These problems need to be solved through detailed professional planning and financial support.

2.2. Legal Risks in Financing

When starting a business, college students lack the awareness of legal risk prevention, and they pay attention to how to obtain more economic benefits while neglecting the prevention of legal risks. In the face of financing problems, they have touched many legal bottom lines. In the civil cases that can be retrieved from the China judicial documents network, loan disputes account for nearly half.

1. Illegal external financing channels

With the development of Internet finance, convenient and fast online loans have become one of the ways for college students to raise funds for entrepreneurship, such as P2P and campus loans. However, due to its own liquidity and incompleteness of procedures, online loans have caused many loan crises, and laws and regulations are inevitably lagging behind. There are still many imperfections in the regulation of this industrial chain. The identity and means of committing crimes of the online loan subject, which mainly targets young entrepreneurs and college students, are more concealed, resulting in difficult supervision and detection by law enforcers and a long cycle [2]. For example, the campus loan lenders use low interest or no mortgage and other false publicity to attract many college students entrepreneurs who lack legal awareness and social experience to borrow, And then forced the borrower to bear the interest higher than the market standard through violent collection; The P3P lending platform, through the convenience of borrowing and the nonstandard mortgage rules, allows entrepreneurs to borrow blindly without measuring their own repayment ability. Since the borrowing interest of the platform is usually higher than that of bank loans and other financing channels, it often causes borrowers with low repayment ability to repay the principal and interest and bear legal risks.

2. Risk asymmetry of crowdfunding

Among the traditional financing means, bank loans and investment institutions have high requirements on the debt paying ability and development potential of college students. Government subsidies and endogenous financing are difficult to make up for the fund gap in the

development of enterprises. However, crowdfunding financing mode has become one of the choices of many college students' Start-up Enterprises, mainly including return crowdfunding, equity crowdfunding and bond crowdfunding. Return crowdfunding adopts commodity pre-sale mode, It helps to solve the problems of weak capital chain and inventory backlog, but there is also a risk that it is difficult to successfully raise funds and cannot be actually delivered after raising funds; Equity crowdfunding can reduce the financing cost of entrepreneurs, but the capital risk of financing mainly comes from the risk of crowdfunding platform misappropriating customers' funds or even the platform's funds [3]; Creditor's rights crowdfunding is the most common and widely used mode of crowdfunding, and there are also criminal problems such as illegal fund-raising, money laundering and low risk of default cost.

Based on these three financing modes, compared with the investors issuing the funds, many investors do not have professional investment knowledge and have weak risk awareness, and the financing parties often have risk problems such as lack of transparency, breach of contract, fraud and platform failure. Therefore, the current regulatory and legislative levels pay more attention to the protection of the rights and interests of crowdfunding investors, and lack of attention to the financing Party's risk at the risk source, However, the main force of the financing parties, college students' start-ups and small and micro enterprises, are very lack of risk prevention and control ability and financing risk identification ability. They sign financing projects without careful legal evaluation and contract review, resulting in large legal risks faced by college students in the process of entrepreneurial financing.

3. Financing Strategies for College Students' Entrepreneurship

3.1. Enhance Internal Financing Capacity and Improve Credit Rating

In the final analysis, the solution to the problem of College Students' Entrepreneurship financing lies in the start-up enterprises themselves. Without the sustainable development of the enterprises themselves, no matter how the external institutions help, the financing problem always exists. Therefore, when the heal project is built, it is necessary to first establish the value of internal financing and realize that it is difficult for an enterprise without its own development capacity to achieve progress by external financing alone. Therefore, it is necessary to improve the internal control system of the enterprise, provide effective financial risk judgment, scientific financing methods and strong institutional support for the enterprise, and provide a foundation for internal financing.

We will also improve the construction of credit level to a strategic level. We will build the credit level according to the credit or rating content of banks or other rating agencies, strive to improve the credit level and credit rating, so as to improve the credit line and broaden the financing channels of enterprises. College student start-up enterprises should reasonably plan the amount of funds borrowed according to their own needs, formulate repayment plans, guarantee repayment, and timely recover accounts receivable in the process of operation, so as to improve the good image of enterprises in the market, gain strong market competitive advantages, and create positive conditions for bank evaluation. At the same time, we should actively adopt multiple financing channels, establish the best capital structure according to the industry characteristics and business characteristics of the start-up enterprises, select multiple combination financing methods, and avoid choosing financing channels with high interest rate, short repayment period, and many restrictions.

3.2. Strengthen the Interaction between Investors and Strengthen the Relationship between Banks and Enterprises

The existence of information barriers between investors and financiers is another major reason for the difficulty of enterprise financing. The main way to solve this problem is to improve the

credit status of enterprises and strengthen information exchange. For the special group of college students, they can get in touch with the investors by participating in the investment guild and settling in the campus maker space. They can directly show the strategic development goals and financing plans of the enterprise to different investors. They are also welcome to visit the enterprise and conduct on-site evaluation to gain a deeper understanding of the internal environment of the enterprise, so as to enhance the enthusiasm of investors for investment.

The financial products of banks are more flexible than those of universities. If enterprises and banks want to carry out deep-seated financial cooperation, it must be based on certain cooperation. The heal project shall actively maintain communication and exchange with the cooperative banks, actively exchange financing needs and financing models with them, jointly innovate financing mortgages and financial products for the company, timely cash bank loans, strive to establish a good lending relationship, and obtain rolling credit support from the main banks [4]. Only by establishing a stable cooperative relationship with banks can we promote the sustainable development of entrepreneurship.

4. Conclusion

To change the plight of College Students' entrepreneurial financing, we need to work together from external and internal financing. We should not only improve the entrepreneurial ability of college students, but also change the overall financing environment. Through the joint efforts of the state, society, colleges and universities, we can jointly solve the problem of College students' entrepreneurial financing. In the process of constantly expanding the financing channels, legal risks also breed. The legal risks mentioned in the above article only briefly describe the financing process, but there are still many legal risks in college students' entrepreneurship. In order to promote the steady and healthy development of College Students' entrepreneurship, it is necessary to improve the policy framework and implementation of College Students' Entrepreneurship financing as soon as possible, build a perfect and mature financing system, improve their legal awareness, and help college students get rid of the current entrepreneurial financing dilemma.

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